



STATE OF MISSOURI
DEPARTMENT OF INSURANCE

IN THE MATTER OF:

Lowell B. Denny

Applicant.

Serve at:

7210 South Bristol
St. Louis MO 63121

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) Case No. 05A000344
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REFUSAL TO ISSUE INSURANCE PRODUCER LICENSE

On January 30, 2006, Kathryn Turner, as senior counsel for the Investigations Section of the Division of Consumer Affairs, submitted a petition to the Director alleging cause for refusing to issue the insurance producer license of Lowell B. Denny ("Applicant"). After reviewing the petition, and the investigative report, the Director issues the following findings of fact, conclusions of law and summary order:

FINDINGS OF FACT

1. Applicant, Lowell B. Denny, is a Missouri resident with an address of 7210 South Bristol, St. Louis, Missouri 63121.
2. On July 27, 2005, the Missouri Department of Insurance received the Uniform Application for Individual Insurance Producer License of Applicant.
3. Applicant was previously licensed by the Department, but had his insurance agent license revoked on January 18, 2001 after a hearing at the Administrative Hearing Commission and a disciplinary hearing before the Director.
4. By notice dated March 6, 2003, the Director denied Applicant's previous application for an insurance producer license.

Exhibit "A"

5. On May 26, 2004, the Administrative Hearing Commission upheld the Director's denial of Denny's application.
6. On June 16, 1998, Applicant received \$171.00 from the Hand family to purchase property insurance. Applicant did not forward the application to the insurer within 30 days and did not inform the Hand family of his failure to do so because he lost the application. Applicant told Debbie Hand that a policy had been issued, but it had not been issued.
7. On July 1, 1994, Applicant received \$750.00 from University Copiers for worker's compensation coverage. Applicant retained the premium, did not forward it to the insurer and did not return the premium money to University Copiers.
8. On October 10, 1997, Applicant received \$580.00 from Commerce Mortgage Corporation for hazard insurance. Applicant retained the premium, did not forward it to the insurer and did not return the premium to Commerce Mortgage Corporation.
9. On December 23, 1997, Applicant received a refund check of \$67.00 from the Missouri Property Insurance Placement Facility made payable to June Lane. Applicant failed to forward the refund to Ms. Lane.
10. On November 6, 1998, Applicant received \$875.00 from Commerce Mortgage Corporation for hazard insurance. Applicant retained the premium, did not forward it to the insurer and did not return the premium to Commerce Mortgage Corporation.
11. Between February 2002 and December 2002, at a time when Applicant was not licensed by the Department, Applicant obtained and submitted to Hudlin & Company Insurance ("Hudlin") 32 applications from previous clients.
12. In August 2002, Robbie Montgomery, a client of Applicant when he was licensed, paid Applicant \$3,250.00 by check made payable to Applicant and filled out insurance documents for coverage for her restaurant. Applicant delivered the insurance documents to Hudlin, but did not deliver the premium, which Applicant kept as commission. Not until January 15, 2003, did Applicant pay the premium for Montgomery's coverage to Hudlin, after Montgomery had received a cancellation notice.
13. This order is in the public interest.

CONCLUSIONS OF LAW

14. Section 375.141.1 RSMo Cum Supp 2004 provides:

The director may suspend, revoke, refuse to issue or refuse to renew an insurance producer license for any one or more of the following causes:

(2) Violating any insurance laws, or violating any regulation...or order of the director...;

(4) Improperly withholding...any moneys...received in the course of doing insurance business;

(8) ...demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state;

(12) Knowingly acting as an insurance producer when not licensed...;

15. 20 CSR 700-1.140(2) provides, in part:

(A) Every insurance producer shall handle every application for new coverage under a personal insurance policy and every amendment to an existing policy in a manner which will secure the new or amended coverage as soon as is reasonably possible...If within thirty (30) days of the original application for insurance the licensee has not yet secured an insurer willing to provide coverage, the licensee immediately shall inform the prospective insured of this fact in writing.

(D) Insurance producers shall remit all premium payments associated with a personal insurance policy to those persons entitled to them as soon as it reasonably possible other their receipt by the licensee, but in no event later than thirty (30) days after the date of receipt...In no event, however, shall a licensee retain premium payments if to do so will result in the failure to obtain or continue coverage on behalf of an insured or prospective insured.

16. Section 375.014 RSMo 2000 provides: "No person shall act in this state as an insurance agent unless he is licensed by the director as provided in this chapter.

17. Section 375.014 RSMo Cum Supp 2004 provides, in part:
 1. No person shall sell, solicit or negotiate insurance in this state for any class or classes of insurance unless he or she is licensed for that line of authority as provided in this chapter.
18. Applicant improperly withheld moneys received in the course of doing insurance business when he accepted premium money from the Hand family, University Copiers and Commerce Mortgage Corporation and failed to send it to the insurer, a ground for refusal of his license application under Section 375.141.1(4) RSMo Cum Supp 2004.
19. Applicant demonstrated incompetence, untrustworthiness and financial irresponsibility when he failed to refund premium to June Lane and when he accepted premium money from Robbie Montgomery, the Hand family, University Copiers and Commerce Mortgage Corporation and failed to send it to the insurer, a ground for refusal of his license application under Section 375.141.1(8) RSMo Cum Supp 2004.
20. Applicant violated an insurance law and regulation when he failed forward the Hand application to an insurer in within thirty (30) days and failed to inform the Hand family that he had not obtained insurance coverage on their property within thirty (30) days, in violation of 20 CSR 700-1.140(2)(A) & (D), a ground for refusal of his license application under Section 375.141.1(2) RSMo Cum Supp 2004.
21. Applicant obtained and submitted 32 applications for insurance from previous clients, including Robbie Montgomery after his license had been revoked, a ground for refusal of his license application under Section 375.141.1(2) RSMo Cum Supp 2004.
22. Applicant knowingly acted as an insurance agent/producer when not licensed, in violation of Section 375.014 RSMo 2000 and Section 375.014.1 RSMo Cum Supp 2004, a ground for refusal of his license application under Section 375.141.1(2) RSMo Cum Supp 2004, Section 375.141.1(12) RSMo 2000 and Section 375.141.1(12) RSMo Cum Supp 2004.
23. This order is in the public interest.

ORDER

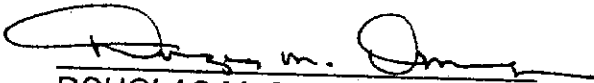
IT IS THEREFORE ORDERED that the issuance of the insurance producer license of Applicant Lowell B. Denny is hereby summarily REFUSED.

SO ORDERED.

WITNESS MY HAND THIS 1st DAY OF February, 2006.



W. DALE FINKE
DIRECTOR



DOUGLAS M. OMMEN
DEPUTY DIRECTOR
GENERAL COUNSEL

NOTICE

TO: Applicant and any unnamed persons aggrieved by this Order:

You may request a hearing in this matter. You may do so by filing a complaint with the Administrative Hearing Commission of Missouri, P.O. Box 1557, Jefferson City, Missouri within thirty (30) days after the mailing of this notice pursuant to Section 621.120 RSMo.

CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of February, 2006, a copy of the foregoing notice, order and petition was served upon the Applicant in this matter by certified mail.



Karen Crutchfield
Senior Office Support Staff